GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:719
ANSWERED ON:26.07.2001
CANCELLATION OF LUXURY ENTRY TAX ON SILK GARMENTS
IQBAL AHMED SARADGI

Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government have urged the Governmentof Karnataka to cancel 2 percent luxury tax imposed on silk garment and entry tax imposed on silk;

(b) if so, whether the State Government has agreed to the suggestions;

(c) if so, the details thereof; and

(d) if not, the main reasons thereof?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAYA KUMAR)

(a)to(d) In view of National Textile Policy-2000 Union Govt. has revised strategy for sericulture and silk development in the country. Revised strategy is based upon emerging market trends, competitive WTO environment and recent advances in technology in silk sector. The revised strategy was discussed with the State Ministers and Secretaries in-charge of Textiles during the All India Conference on Textiles held at New Delhi on 10/4/2001. States resolved inter- alia that States and UTs should seriously consider providing tax exemption for input and marketing of products in the area (among others) of cocoons and silk yarns. However no special references is made about the luxury tax imposed by Government of Karnataka.